

Washington, DC – Congressman Sam Farr (D-Carmel) issued the following statement on the proposed 41% reduction of the President's funding request for the U.S. Commodity Futures Trading Commission.

"Good morning. I am Congressman Sam Farr (D-Carmel), and I serve as ranking member of the Appropriations Subcommittee on USDA & FDA and CFTC. It is our Committee's responsibility to appropriate funds necessary to carry out the law.

Dodd-Frank created, for the first time, the Consumer Oversight of heretofore never regulated derivatives and swaps, a market that has grown to over \$300 trillion in the US and another \$100 trillion in international activity.

The law requires the CFTC to provide oversight for our markets through greater transparency, openness, and disclosure. New rules have been written, but the Republican leadership will not allow the hiring of employees to enforce the law. Commissioner Gary Gensler told our Committee that without funds the Commissioner can't even register the participants.

The 41% cut from the President's \$308 million budget request for the CFTC is unconscionable. It's designed to cripple the CFTC. As Chairman Gensler said to the Agriculture Appropriations Committee, it would be like expanding the NFL to 100 games a weekend, but without hiring any new referees.

The Republicans do not accomplish anything from their cuts. The budget request amounts to about one-ten-thousandth of one percent of the \$300 trillion swaps market.

It's not much money, but it's enough to cripple the regulators. The President's ask isn't a lot, but it can make a lot of difference in stabilizing our markets. Make no mistake about this. The swap dealers don't want to be regulated. Their market is 6 times the SEC, which –by the way– has more cops on the beat and *still* struggles with oversight.

In fact, the CFTC budget request boils down to the equivalent of 6 seconds of trading for a \$400 trillion global market that operates almost 24/7.

Yet what happens when a giant bank, like J.P. Morgan, has enormous losses as they reported 2 weeks ago? Who steps in to investigate?

Answer: "The CFTC." How well can they do the oversight without staff?

The Republicans have linked up to make sure the new greed is protected from regulation. Consumers, investors, and other financial interests need protection. Congress passed Dodd-Frank wanting to see things work. Failure is not an option.

Restore peoples' confidence in government regulators. Restore the funding."

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